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California Corporations Commissioner
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9 Attorneys for Complainant

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11 BEFORE THE DEPARTMENT OF CORPORATIONS
12 OF THE STATE OF CALIFORNIA

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14 In the Matter of)
15 THE CALIFORNIA CORPORATIONS) FILE NO. 309-3035
16 COMMISSIONER,)
17 Complainant,) **ACCUSATION**
18 v.)
19 VALUE HOME LOAN, INC. d.b.a. MBS)
20 SECURITIES,)
21 Respondent.)
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23 Preston DuFauchard, the California Corporations Commissioner ("Commissioner") of the
24 Department of Corporations ("Department") alleges and charges as follows:

25 1. Value Home Loan, Inc. d.b.a. MBS Securities ("MBS" or "Respondent") is a California
26 corporation located at 5959 Topanga Canyon, #201, Woodland Hills, CA, 91367.
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2. On October 10, 2007, the Commissioner issued a permit under Corporations Code section 25113 to MBS to offer and sell securities in the form of interests in promissory notes secured by deeds of trust ("Permit"). The Permit expires on or about October 10, 2008.

3. In or about September 2008, the Department determined that Respondent was violating the terms of the Permit including, but not limited to, the following:

- a. Failing to disclose that Respondent was no longer making monthly interest payments in contradiction with oral or written representations made to California investors;
- b. Failing to disclose that Respondent was experiencing financial difficulties in contradiction with oral or written representations made to California investors and in Respondent's offering circular;
- c. Failing to return principle investment money California investors gave to Respondent in contradiction with marketing materials and the terms of Respondent's offering circular and subscription agreements which required Respondent to return principle investment money at the end of the investment term along with any undistributed interest payments; and
- d. Failing to make monthly interest payments to California investors in accordance with and required by the terms of Respondent's offering circular and subscription agreements made with California investors.

4. Corporations Code section 25140(a)(1) provides, in pertinent part, as follows:

The commissioner . . . may suspend or revoke any permit issued under Section 25113 or 25122 if he or she finds (A) that the order is in the public interest and (B) that the proposed plan of business of the issuer or the proposed issuance or sale of securities is not fair, just, or equitable, or that the issuer does not intend to transact its business fairly and honestly, or that the securities proposed to be issued or the method to be used in issuing them will tend to work a fraud upon the purchaser thereof.

1 5. Corporations Code section 25143(a) provides, in pertinent part, as follows:

2 The commissioner may by order summarily postpone or suspend the
3 effectiveness of any qualification pending final determination of any
4 proceeding under this chapter. Upon the entry of the order, the
5 commissioner shall promptly notify each person specified in
6 subdivision (b) of this section that is has been entered and of the
7 reasons therefore and that upon receipt of a written request the matter
8 will be set down for hearing to commence within 15 business days
9 after such receipt unless the applicant consents to a later date. If no
10 hearing is requested and none is ordered by the commissioner, the
11 order will remain in effect until it is modified or vacated by the
12 commissioner. If a hearing is requested or ordered, the commissioner,
13 after notice and hearing in accordance with subdivision (b) of this
14 section, may modify or vacate the order or extend it until final
15 determination.

16 6. The Commissioner finds that summarily suspending the Permit issued to Respondent is in the
17 public interest and that Respondent's plan of business and issuance of securities is no longer fair,
18 just and equitable because Respondent's publications made regarding investments, offering circulars,
19 and subscription agreements to California investors contain material misrepresentations about the
20 investment(s) issued by Respondent, Respondent is not conducting business as disclosed or
21 represented, and that the securities proposed to be issued or the method to be used in issuing them
22 will tend to work a fraud upon the purchaser thereof.

23 7. The Commissioner finds that revoking the permit issued to Respondent is in the public
24 interest and that Respondent's plan of business and issuance of securities is no longer fair, just and
25 equitable because Respondent's publications made regarding investments, offering circulars, and
26 subscription agreements with California investors contain material misrepresentations about the
27 investment(s) issued by Respondent, Respondent is not conducting business as disclosed or
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1 represented, and that the securities proposed to be issued or the method to be used in issuing them
2 will tend to work a fraud upon the purchaser thereof.

3 WHEREFORE, that the permit issued under Corporations Code section 25113 to Value
4 Home Loan, Inc. d.b.a. MBS Securities is summarily suspended as of this date.

5 WHEREFORE, IT IS PRAYED that the permit issued under Corporations Code section
6 25113 to Value Home Loan, Inc. d.b.a. MBS Securities be revoked.

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8 Dated: September 18, 2008
9 Sacramento, California

10 PRESTON DuFAUCHARD
11 California Corporations Commissioner

12 By _____
13 Marisa I. Urteaga-Watkins
14 Corporations Counsel
15 Enforcement Division
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